

Senate File 2378

H-8307

1 Amend Senate File 2378, as amended, passed, and reprinted by
2 the Senate, as follows:

3 1. By striking everything after the enacting clause and
4 inserting:

5 <DIVISION I

6 CHANGES TO CURRENT BEVERAGE CONTAINERS CONTROL LAW

7 Section 1. Section 455C.1, subsections 1 and 6, Code 2022,
8 are amended to read as follows:

9 1. "*Beverage*" means wine as defined in section 123.3,
10 subsection 54, alcoholic liquor as defined in section 123.3,
11 subsection 5, beer as defined in section 123.3, subsection
12 7, high alcoholic content beer as defined in section 123.3,
13 subsection 22, canned cocktail as defined in section 123.3,
14 subsection 11, mineral water, soda water, and similar
15 carbonated soft drinks in liquid form and intended for human
16 consumption.

17 6. "*Dealer agent*" means a person who solicits or picks up
18 empty beverage containers ~~from a dealer~~ for the purpose of
19 returning the empty beverage containers to a distributor or
20 manufacturer.

21 Sec. 2. Section 455C.1, Code 2022, is amended by adding the
22 following new subsections:

23 NEW SUBSECTION. 01. "*Automatic redemption system*" means a
24 location operated by a redemption service provider at which a
25 consumer may return empty beverage containers on which a refund
26 value has been paid that uses innovative technology to process
27 empty beverage containers and return the amount of the refund
28 value to consumers.

29 NEW SUBSECTION. 12A. "*Participating dealer*" means a dealer
30 who accepts the return of empty beverage containers from a
31 consumer.

32 NEW SUBSECTION. 14. "*Redemption service provider*" means a
33 dealer agent or a registered redemption center.

34 Sec. 3. Section 455C.2, Code 2022, is amended to read as
35 follows:

1 **455C.2 Refund values.**

2 1. A refund value of ~~not less than~~ five cents shall be paid
3 by the consumer on each beverage container sold in this state
4 by a dealer for consumption off the premises. Upon return of
5 the empty beverage container upon which a refund value has
6 been paid to ~~the~~ a participating dealer or person operating
7 a redemption center and acceptance of the empty beverage
8 container by the participating dealer or person operating a
9 redemption center, the participating dealer or person operating
10 a redemption center shall return the amount of the refund value
11 to the consumer.

12 2. a. In addition to the refund value provided in
13 subsection 1 of ~~this section~~, a participating dealer, or person
14 operating a redemption center who redeems empty beverage
15 containers or a dealer agent shall be reimbursed by the
16 distributor required to accept the empty beverage containers an
17 amount which that is one cent per container. A dealer, dealer
18 agent, or person operating a redemption center may compact
19 empty metal beverage containers with the approval of the
20 distributor required to accept the containers. A redemption
21 center shall be reimbursed an amount that is two cents per
22 container.

23 b. When a distributor delivers beverage containers to
24 a dealer, the dealer shall pay to the distributor as a
25 contribution to the reimbursement required under paragraph "a"
26 one-half of one cent per beverage container for each beverage
27 container delivered.

28 Sec. 4. Section 455C.3, subsections 1, 2, and 4, Code 2022,
29 are amended to read as follows:

30 1. A participating dealer shall not refuse to accept from a
31 consumer any empty beverage container of the kind, size, and
32 brand sold by the participating dealer, or refuse to pay to the
33 consumer the refund value of a beverage container as provided
34 under section 455C.2.

35 2. A distributor shall accept and pick up from a

1 participating dealer served by the distributor or a redemption
2 center for a dealer served by the distributor at least weekly,
3 or when the distributor delivers the beverage product if
4 deliveries are less frequent than weekly, any empty beverage
5 container of the kind, size, and brand sold by the distributor,
6 and shall pay to the participating dealer or ~~person operating~~
7 a redemption center the refund value of a beverage container
8 and the reimbursement as provided under [section 455C.2](#) within
9 one week following pickup of the containers or when the
10 participating dealer or redemption center normally pays the
11 distributor for the deposit on beverage products purchased from
12 the distributor if less frequent than weekly. A distributor
13 or employee or agent of a distributor is not in violation
14 of [this subsection](#) if a redemption center is closed when the
15 distributor attempts to make a regular delivery or a regular
16 pickup of empty beverage containers. [This subsection](#) does
17 not apply to a distributor selling alcoholic liquor to the
18 alcoholic beverages division of the department of commerce.
19 4. A distributor shall accept from a dealer agent any
20 empty beverage container of the kind, size, and brand sold by
21 the distributor and ~~which~~ that was picked up by the dealer
22 agent ~~from a dealer~~ within the geographic territory served
23 by the distributor and the distributor shall pay the dealer
24 agent the refund value of the empty beverage container and the
25 reimbursement as provided in [section 455C.2](#).

26 Sec. 5. Section 455C.4, Code 2022, is amended to read as
27 follows:

28 **455C.4 Refusal to accept containers.**

29 1. Except as provided in [section 455C.5, subsection 3](#),
30 a participating dealer, ~~a person operating a~~ or redemption
31 center, ~~a distributor or a manufacturer~~ may refuse to accept
32 any empty beverage container ~~which~~ that does not have stated on
33 it a refund value as provided under [section 455C.2](#).

34 2. a. A dealer may refuse to accept and to pay the
35 refund value of any empty beverage container if the ~~place of~~

~~1 business of the dealer and the kind and brand of empty beverage~~
~~2 containers are included in an order of the department approving~~
~~3 a redemption center under section 455C.6 dealer enters a~~
~~4 contract with a redemption service provider who will accept~~
~~5 beverage containers on the dealer's behalf. A dealer may only~~
~~6 enter a contract with a registered redemption center under this~~
~~7 subsection if the dealer's place of business is in a county~~
~~8 with a population of more than thirty thousand and within five~~
~~9 miles of the redemption center or if the dealer's place of~~
~~10 business is in a county with a population of thirty thousand or~~
~~11 fewer and within ten miles of the redemption center.~~

~~12 b. A dealer who refuses to accept empty beverage containers~~
~~13 and enters a contract with a registered redemption center under~~
~~14 paragraph "a" shall prominently post on the premises of the~~
~~15 dealer's place of business a sign that includes the location~~
~~16 and hours of a registered redemption center with which the~~
~~17 dealer has contracted under paragraph "a".~~

~~18 c. A redemption service provider may require as a term of~~
~~19 a contract entered into under paragraph "a" that the dealer~~
~~20 shall make space available on the dealer's property for the~~
~~21 redemption service provider to collect beverage containers at~~
~~22 no cost to the redemption service provider.~~

~~23 d. Entering a contract with a dealer agent or a redemption~~
~~24 service provider operating an automatic redemption system does~~
~~25 not satisfy the contract requirement in paragraph "a" unless~~
~~26 the contract requires the dealer agent or redemption service~~
~~27 provider operating a mobile redemption system to return refund~~
~~28 value to consumers in the form of cash or a voucher immediately~~
~~29 redeemable for cash at the time of return.~~

~~30 3. A dealer or a distributor may refuse to accept and to pay~~
~~31 the refund value of an empty wine or alcoholic liquor container~~
~~32 which is marked to indicate that it was sold by a state liquor~~
~~33 store. The alcoholic beverages division shall not reimburse~~
~~34 a dealer or a distributor the refund value on an empty wine or~~
~~35 alcoholic liquor container which is marked to indicate that the~~

1 ~~container was sold by a state liquor store.~~

2 4. 3. A class "E" liquor control licensee may refuse to
3 accept and to pay the refund value on an empty alcoholic liquor
4 container from a participating dealer or a redemption center
5 or from a person acting on behalf of or who has received empty
6 alcoholic liquor containers from a participating dealer or a
7 redemption center.

8 5. 4. A manufacturer or distributor may refuse to accept
9 and to pay the refund value and reimbursement as provided in
10 section 455C.2 on any empty beverage container that was picked
11 up by a dealer agent ~~from a dealer~~ outside the geographic
12 territory served by the manufacturer or distributor.

13 Sec. 6. Section 455C.5, subsection 1, Code 2022, is amended
14 to read as follows:

15 1. Each beverage container sold or offered for sale in
16 this state by a dealer shall clearly indicate the refund value
17 of the container by embossing or by a stamp, label, or other
18 method securely affixed to the container, ~~the refund value of~~
19 ~~the container~~. The department shall specify, by rule, the
20 minimum size of the refund value indication on the beverage
21 containers.

22 Sec. 7. Section 455C.6, subsections 1, 2, and 5, Code 2022,
23 are amended to read as follows:

24 1. To facilitate the return of empty beverage containers and
25 to serve dealers of beverages, any person may register with the
26 department pursuant to subsection 2 to establish a redemption
27 center, ~~subject to the approval of the department~~, at which
28 consumers may return empty beverage containers and receive
29 payment of the refund value of such beverage containers.

30 2. a. ~~An application for approval of~~ Written notice of
31 the operation of a redemption center shall be filed with the
32 department. The application notice shall ~~state the name and~~
33 ~~address of the person responsible for the establishment and~~
34 ~~operation of the redemption center, the kind and brand names~~
35 ~~of the beverage containers which will be accepted at the~~

1 ~~redemption center, and the names and addresses of the dealers~~
2 ~~to be served by the redemption center. The application shall~~
3 ~~contain such other information as the director may reasonably~~
4 ~~require~~ include the information listed in paragraph "b".

5 Upon filing a proper notice, the redemption center shall be
6 considered registered for purposes of this chapter.

7 b. A redemption center's notice filed under paragraph "a"
8 shall be considered proper if it includes all of the following:

9 (1) The name, address, and telephone number of the
10 redemption center.

11 (2) The name, address, and telephone number of the person or
12 persons responsible for the establishment and operation of the
13 redemption center.

14 (3) An indication that the redemption center will accept
15 all kinds, sizes, and brands of beverage containers sold by the
16 dealers served by the redemption center.

17 (4) The names and addresses of the distributors whose
18 beverage containers will be redeemed.

19 (5) The hours during which the redemption center will be
20 open.

21 (6) An indication that the redemption center will be in
22 operation and open to the public for the redemption of beverage
23 containers at least twenty hours per week, four hours of which
24 shall be between the hours of 6:00 p.m. and 10:00 p.m. or on
25 Saturday or Sunday, or a combination thereof.

26 5. All ~~approved~~ redemption centers shall meet applicable
27 health standards.

28 Sec. 8. NEW SECTION. 455C.6A Automatic redemption systems.

29 A redemption service provider may operate an automatic
30 redemption system to accept the return of empty beverage
31 containers and return refund value to consumers.

32 Sec. 9. Section 455C.12, subsection 2, Code 2022, is amended
33 to read as follows:

34 2. A distributor who collects or attempts to collect
35 a refund value on an empty beverage container when the

1 distributor has paid the refund value on the container to a
2 participating dealer, redemption center, or consumer is guilty
3 of a fraudulent practice.

4 Sec. 10. Section 455C.12, subsection 3, paragraphs a and b,
5 Code 2022, are amended to read as follows:

6 a. Collects or attempts to collect the refund value on the
7 container a second time, with the knowledge that the refund
8 value has once been paid by the distributor to a participating
9 dealer, redemption center, or consumer.

10 b. Manufactures, sells, possesses, or applies a false or
11 counterfeit label or indication ~~which~~ that shows or purports to
12 show a refund value for a beverage container, with intent to
13 use the false or counterfeit label or indication.

14 Sec. 11. Section 455C.12, Code 2022, is amended by adding
15 the following new subsection:

16 NEW SUBSECTION. 6. A person who violates any provision of
17 this chapter, or any rule, permit, or order adopted or issued
18 under this chapter, shall be subject to a civil penalty not
19 to exceed two thousand five hundred dollars for each day of
20 the violation. The department shall adopt rules establishing
21 a schedule of civil penalties based on the severity of the
22 violation. Any civil penalty collected under this chapter
23 shall be deposited in the bottle bill enforcement fund
24 established in section 455C.12D.

25 Sec. 12. NEW SECTION. **455C.12A Administrative enforcement**
26 **— compliance orders.**

27 1. The director may issue any order necessary to secure
28 compliance with or prevent a violation of the provisions of
29 this chapter or any rule adopted or permit or order issued
30 pursuant to this chapter. Any order issued pursuant to this
31 section may impose a civil penalty authorized pursuant to
32 section 455C.12, subsection 6, for a violation of the order,
33 to be collected administratively by the department. The
34 person to whom the compliance order is issued may cause to be
35 commenced a contested case within the meaning of chapter 17A by

1 filing within thirty days a notice of appeal to the director.
2 Following a contested case hearing and a proposed decision
3 issued by the department, the commission may affirm, modify, or
4 vacate the proposed decision.

5 2. If a person continues an alleged violation during the
6 appeals process and the commission affirms that the person has
7 committed a violation, the department may assess penalties for
8 each day the violation continued through the appeals process.

9 Sec. 13. NEW SECTION. **455C.12B Judicial review.**

10 Judicial review of any final order or other final action of
11 the commission or director may be sought in accordance with the
12 terms of chapter 17A. Notwithstanding the terms of chapter
13 17A, petitions for judicial review may be filed in the district
14 court of the county in which the alleged offense was committed.

15 Sec. 14. NEW SECTION. **455C.12C Civil actions for compliance**
16 **— penalties.**

17 The attorney general, on request of the department, shall
18 institute any legal proceedings necessary to obtain compliance
19 with an order of the commission or the director, including
20 proceedings for a temporary injunction, or prosecuting any
21 person for a violation of the provisions of this chapter or
22 any rules adopted or permit or order issued pursuant to this
23 chapter.

24 Sec. 15. NEW SECTION. **455C.12D Bottle bill enforcement**
25 **fund.**

26 A bottle bill enforcement fund is established in the state
27 treasury under the control of the department. The fund shall
28 consist of moneys deposited in the fund pursuant to section
29 455C.12, subsection 6, and any other moneys appropriated to or
30 deposited in the fund. Moneys in the fund are appropriated
31 to the department for purposes of administering and enforcing
32 this chapter. Notwithstanding section 8.33, moneys in the
33 fund that remain unencumbered or unobligated at the close of
34 a fiscal year shall not revert but shall remain available for
35 expenditure for the purposes designated. Notwithstanding

1 section 12C.7, subsection 2, interest or earnings on moneys in
2 the fund shall be credited to the fund.

3 Sec. 16. Section 455C.13, Code 2022, is amended to read as
4 follows:

5 **455C.13 ~~Distributors'~~ Collection and disposal agreements**
6 **authorized.**

7 1. A distributor, dealer, or redemption center may enter
8 into a contract or agreement with any other distributor,
9 manufacturer, or person for the purpose of collecting or paying
10 the refund value on, or disposing of, beverage containers as
11 provided in this chapter.

12 2. For purposes of this chapter, any contracts entered into
13 pursuant to this section for the collection or disposal of
14 empty beverage containers shall not be deemed to interfere with
15 the refund value pursuant to section 455C.2.

16 Sec. 17. Section 455C.14, subsection 1, Code 2022, is
17 amended to read as follows:

18 1. If the refund value indication required under section
19 455C.5 on an empty nonrefillable metal beverage container
20 is readable but the redemption of the container is lawfully
21 refused by a participating dealer or ~~person operating a~~
22 redemption center under other sections of this chapter or
23 rules adopted pursuant to these sections, the container
24 shall be accepted and the refund value paid to a consumer
25 as provided in this section. Each beer distributor selling
26 nonrefillable metal beverage containers in this state shall
27 provide individually or collectively by contract or agreement
28 with a dealer, ~~person operating a redemption center,~~ or another
29 person, at least one facility in the county seat of each county
30 where refused empty nonrefillable metal beverage containers
31 having a readable refund value indication as required by
32 this chapter are accepted and redeemed. In cities having a
33 population of twenty-five thousand or more, the number of the
34 facilities provided shall be one for each twenty-five thousand
35 population or a fractional part of that population.

1 Sec. 18. Section 455C.16, Code 2022, is amended to read as
2 follows:

3 455C.16 Beverage containers — disposal at sanitary landfill
4 prohibited.

5 Beginning July 1, 1990, the The final disposal of beverage
6 containers by a dealer, distributor, or manufacturer, or
7 person operating a redemption center, in a sanitary landfill,
8 is prohibited. Beginning September 1, 1992, including the
9 final disposal of beverage containers that used to contain
10 alcoholic liquor as defined in section 123.3, subsection 5,
11 by a participating dealer, distributor, or manufacturer, or
12 ~~person operating a redemption center in a sanitary landfill,~~
13 is prohibited.

14 DIVISION II

15 REPEAL OF CURRENT BEVERAGE CONTAINERS CONTROL LAW

16 Sec. 19. Section 123.24, subsection 2, paragraph d, Code
17 2022, is amended by striking the paragraph.

18 Sec. 20. Section 123.26, Code 2022, is amended to read as
19 follows:

20 123.26 Restrictions on sales — seals — labeling.

21 Alcoholic liquor shall not be sold by a class "E" liquor
22 control licensee except in a sealed container with identifying
23 markers as prescribed by the administrator and affixed in the
24 manner prescribed by the administrator, and no such container
25 shall be opened upon the premises of a state warehouse. The
26 division shall ~~cooperate with the department of natural~~
27 ~~resources so~~ ensure that only one identifying marker or mark is
28 needed to satisfy the requirements of this section and section
29 ~~455C.5~~ 123B.4, subsection 1. Possession of alcoholic liquors
30 ~~which~~ that do not carry the prescribed identifying markers is a
31 violation of this chapter except as provided in section 123.22.

32 Sec. 21. Section 123.187, subsection 3, paragraph e, Code
33 2022, is amended by striking the paragraph.

34 Sec. 22. Section 423.6, subsection 3, paragraph a, Code
35 2022, is amended to read as follows:

1 a. Any tangible personal property including containers
2 for which it is intended shall, by means of fabrication,
3 compounding, manufacturing, or germination, become an integral
4 part of other tangible personal property intended to be sold
5 ultimately at retail, and containers used in the collection,
6 recovery, or return of empty beverage containers subject to
7 chapter ~~455C~~ 123B.

8 Sec. 23. Section 455A.4, subsection 1, paragraph b, Code
9 2022, is amended to read as follows:

10 b. Provide overall supervision, direction, and coordination
11 of functions to be administered by the administrators under
12 chapters 321G, 321I, 455B, ~~455C~~, 456A, 456B, 457A, 458A, 459,
13 459A, 459B, 461A, 462A, 462B, 464A, 465C, 473, 481A, 481B,
14 483A, 484A, and 484B.

15 Sec. 24. Section 455A.6, subsection 6, paragraphs a, b, and
16 d, Code 2022, are amended to read as follows:

17 a. Establish policy for the department and adopt rules,
18 pursuant to chapter 17A, necessary to provide for the effective
19 administration of chapter 455B, ~~455C~~, or 459.

20 b. Hear appeals in contested cases pursuant to chapter 17A
21 on matters relating to actions taken by the director under
22 chapter ~~455C~~, 458A, 464B, or 473.

23 d. Approve the budget request prepared by the director
24 for the programs authorized by chapters 455B, ~~455C~~, 455E,
25 455F, 455H, and 459, subchapters II and III. The commission
26 shall approve the budget request prepared by the director for
27 programs subject to the rulemaking authority of the commission.
28 The commission may increase, decrease, or strike any item
29 within the department budget request for the specified programs
30 before granting approval.

31 Sec. 25. Section 455B.313, subsection 1, Code 2022, is
32 amended to read as follows:

33 1. A distributor ~~as defined in section 455C.1, subsection~~
34 ~~9~~, shall not sell or offer to sell any beverage container
35 if the beverage container is connected to another beverage

1 container by a device constructed of a material ~~which~~ that is
2 not biodegradable or photodegradable.

3 Sec. 26. Section 455B.313, Code 2022, is amended by adding
4 the following new subsection:

5 NEW SUBSECTION. 3. For purposes of this section,
6 "*distributor*" means any person who engages in the sale of
7 beverages in beverage containers to a dealer in this state,
8 as those terms are defined in section 123B.1, including any
9 manufacturer who engages in such sales.

10 Sec. 27. REPEAL. Chapter 455C, Code 2022, is repealed.

11 Sec. 28. TRANSITION PROVISIONS. Upon repeal of chapter
12 455C and the creation of the bottle bill deposit fund pursuant
13 to section 123B.11, as enacted in this Act, all moneys in the
14 bottle bill enforcement fund created in section 455C.12D, as
15 enacted in this Act, are transferred to the alcoholic beverages
16 division for deposit in the bottle bill deposit fund. Any
17 moneys credited to the bottle bill enforcement fund on and
18 after January 1, 2024, are transferred to the division for
19 deposit in the bottle bill deposit fund.

20 Sec. 29. EFFECTIVE DATE. This division of this Act takes
21 effect January 1, 2024.

22 DIVISION III

23 NEW BEVERAGE CONTAINERS CONTROL LAW

24 Sec. 30. NEW SECTION. 123B.1 Definitions.

25 As used in this chapter, unless the context otherwise
26 requires:

27 1. a. "*Beverage*" means any of the following:

28 (1) Wine as defined in section 123.3, subsection 54.

29 (2) Alcoholic liquor as defined in section 123.3,
30 subsection 5.

31 (3) Beer as defined in section 123.3, subsection 7.

32 (4) High alcoholic content beer as defined in section 123.3,
33 subsection 22.

34 (5) Canned cocktail as defined in section 123.3, subsection
35 11.

1 (6) Mineral water, soda water, and similar carbonated soft
2 drinks.

3 (7) Any liquid identified through the use of letters,
4 words, or symbols on its product label as a type of water,
5 including any flavored water or nutritionally enhanced water,
6 in a container greater than or equal to four fluid ounces and
7 less than three liters.

8 (8) Tea or coffee drinks, regardless of dairy-derived
9 content, in a container greater than or equal to four fluid
10 ounces and less than three liters.

11 (9) Juice derived from one or more fruits or vegetables that
12 is intended for direct human consumption and not as a base or
13 additive to any beverage or food, in a container greater than
14 or equal to four fluid ounces and less than three liters.

15 (10) Sports drinks, which are soft drinks designed or
16 marketed for consumption in conjunction with sporting activity
17 or strenuous exercise, and which typically contain electrolytes
18 such as sodium, potassium, and chloride, and a high percentage
19 of sugar to restore energy, in a container greater than or
20 equal to four fluid ounces and less than three liters.

21 (11) Any other liquid that is intended for human consumption
22 and is in a container greater than or equal to four fluid
23 ounces and less than three liters.

24 *b.* For purposes of this chapter, the term "*beverage*"
25 excludes all of the following:

26 (1) A liquid that is a syrup, in a concentrated form,
27 or typically added as a minor flavoring ingredient in food
28 or drink, including but not limited to extracts, cooking
29 additives, sauces, or condiments.

30 (2) A liquid that is a drug, medical food, or infant formula
31 as defined by the federal Food, Drug, and Cosmetic Act, 21
32 U.S.C. §301 et seq.

33 (3) A liquid that is designed and consumed only as a
34 dietary supplement as defined in the Dietary Supplement Health
35 and Education Act of 1994, Pub. L. No. 103-417, and not as a

1 beverage.

2 (4) Instant drink powders.

3 (5) Milk, or any product marketed as a plant-based milk, and
4 all other dairy-derived products, except tea or coffee drinks
5 included in paragraph "a", subparagraph (8).

6 2. "*Beverage container*" means any sealed glass, plastic,
7 or metal bottle, can, jar, or carton containing a beverage.
8 "*Beverage container*" does not include foil pouches or drink
9 boxes.

10 3. "*Commission*" means the alcoholic beverages commission
11 established in chapter 123.

12 4. "*Consumer*" means any person who purchases a beverage in a
13 beverage container for use or consumption.

14 5. "*Dealer*" means any person who engages in the sale of
15 beverages in beverage containers to a consumer.

16 6. "*Division*" means the alcoholic beverages division of the
17 department of commerce established in chapter 123.

18 7. "*Redemption center*" means a business that provides one or
19 more facilities at which consumers may return empty beverage
20 containers and receive payment for the refund value of the
21 empty beverage containers.

22 Sec. 31. NEW SECTION. 123B.2 Refund values — recycling
23 — reimbursement.

24 1. a. A refund value of five cents shall be paid by a
25 consumer to a dealer on each beverage container sold in this
26 state by the dealer for consumption off the premises.

27 b. On a monthly basis, a dealer shall submit to the
28 department of revenue, in a form and manner determined by
29 the department, receipts indicating the number of beverage
30 containers sold by the dealer and the five-cent refund value
31 collected for each beverage container sold by the dealer
32 pursuant to paragraph "a". The department of revenue shall
33 credit monthly to the treasurer of state for deposit in the
34 bottle bill deposit fund established in section 123B.11 the
35 refund value collected from dealers under this paragraph.

1 2. a. When a manufacturer transfers beverage containers to
2 a distributor, the manufacturer shall pay to the distributor
3 one-half of one cent per beverage container for each beverage
4 container transferred.

5 b. When a distributor delivers beverage containers to a
6 dealer, the dealer shall pay to the distributor one-half of
7 one cent per beverage container for each beverage container
8 delivered.

9 c. Within fourteen days of providing an invoice to a dealer
10 for beverage containers delivered to the dealer, a distributor
11 shall submit to the department of revenue, in a form and
12 manner determined by the department, receipts indicating the
13 number of beverage containers delivered to the dealer by the
14 distributor and payment in an amount equal to one and one-half
15 cents for each beverage container delivered to the dealer. The
16 department of revenue shall credit monthly to the treasurer of
17 state for deposit in the bottle bill deposit fund established
18 in section 123B.11 the moneys collected from a distributor
19 under this paragraph.

20 3. A consumer may only redeem the refund value by returning
21 a beverage container to a registered redemption center
22 facility. Upon return of the empty beverage container, upon
23 which a refund value has been paid, to a registered redemption
24 center facility and acceptance of the empty beverage container
25 by the redemption center, the redemption center shall pay the
26 amount of the refund value to the consumer within ten days.

27 4. A redemption center shall dispose of beverage containers
28 by transporting or causing the transport of the beverage
29 containers to a recycling site.

30 5. On a monthly basis, a redemption center shall be
31 reimbursed by the division from the bottle bill deposit fund
32 established in section 123B.11 the amount of refund value that
33 the redemption center has paid to consumers and the handling
34 fee. The division shall establish the handling fee by rule
35 in an amount that is three cents per beverage container,

1 except that the handling fee shall be one cent per beverage
2 container for a redemption center that does not provide refund
3 value to consumers in the form of cash at the time of return.
4 The division may establish accuracy standards to account for
5 discrepancies in the weight of recycled material and the number
6 of beverage containers the redemption center claims to have
7 been recycled.

8 Sec. 32. NEW SECTION. **123B.3 Refusal to accept containers.**

9 A redemption center may refuse to accept any empty beverage
10 container that does not have stated on it a refund value as
11 provided under section 123B.4.

12 Sec. 33. NEW SECTION. **123B.4 Refund value stated on**
13 **container — exceptions.**

14 1. Each beverage container sold or offered for sale in
15 this state by a dealer shall clearly indicate the refund
16 value of the container by embossing or by a stamp, label, or
17 other method securely affixed to the container. The division
18 shall specify, by rule, the minimum size of the refund value
19 indication on the beverage containers and require registration
20 of the universal product code for each beverage container in a
21 format required by the division.

22 2. A person, except a distributor, shall not import
23 into this state a beverage container that does not have
24 securely affixed to the container the refund value indication.
25 This subsection does not apply under any of the following
26 circumstances:

27 a. For beverage containers containing alcoholic liquor as
28 defined in section 123.3, subsection 5, the total capacity of
29 the containers is not more than one quart or, in the case of
30 alcoholic liquor personally obtained outside the United States,
31 one gallon.

32 b. For beverage containers containing beer as defined
33 in section 123.3, subsection 7, the total capacity of the
34 containers is not more than two hundred eighty-eight fluid
35 ounces.

1 *c.* For all other beverage containers, the total capacity of
2 the containers is not more than five hundred seventy-six fluid
3 ounces.

4 3. Subsections 1 and 2 do not apply to a refillable glass
5 beverage container that has a brand name permanently marked
6 on it and that has a refund value of five cents, to any other
7 refillable beverage container that has a refund value of five
8 cents and that is exempted by rules adopted by the commission,
9 or to a beverage container sold aboard a commercial airliner or
10 passenger train for consumption on the premises.

11 Sec. 34. NEW SECTION. 123B.5 **Redemption centers.**

12 1. To facilitate the return of empty beverage containers,
13 any person may register with the division to establish a
14 redemption center facility at which consumers may return empty
15 beverage containers and receive payment of the refund value of
16 such beverage containers.

17 2. *a.* Written notice of the operation of a redemption
18 center facility shall be filed with the division. The notice
19 shall include the information listed in paragraph "*b*". Upon
20 filing a proper notice, the redemption center facility shall be
21 considered registered for purposes of this chapter.

22 *b.* A notice filed under paragraph "*a*" shall be considered
23 proper if it includes all of the following:

24 (1) The name, address, and telephone number of the
25 redemption center facility.

26 (2) The name, address, and telephone number of the person or
27 persons responsible for the establishment and operation of the
28 redemption center facility.

29 (3) An indication that the redemption center facility will
30 accept all kinds, sizes, and brands of beverage containers
31 sold by all dealers within five miles of the redemption center
32 facility if the redemption center facility is in a county
33 with a population of more than thirty thousand or sold by all
34 dealers within ten miles of the redemption center facility if
35 the redemption center facility is in a county with a population

1 of thirty thousand or fewer.

2 (4) The names and addresses of the distributors whose
3 beverage containers will be redeemed.

4 (5) The hours during which the redemption center will be
5 open.

6 (6) An indication that the redemption center facility will
7 be in operation and open to the public for the redemption of
8 beverage containers at least twenty hours per week, four hours
9 of which shall be between the hours of 6:00 p.m. and 10:00 p.m.
10 or on Saturday or Sunday, or a combination thereof.

11 Sec. 35. NEW SECTION. 123B.6 Rules.

12 The commission shall adopt, upon recommendation of the
13 division, rules necessary to carry out the provisions of this
14 chapter, subject to the provisions of chapter 17A.

15 Sec. 36. NEW SECTION. 123B.7 Penalties.

16 1. Except as provided in subsection 2, any person violating
17 the provisions of section 123B.2 or 123B.4, or a rule adopted
18 under this chapter, shall be guilty of a simple misdemeanor.

19 2. Any person who does any of the following acts is guilty
20 of a fraudulent practice under chapter 714:

21 a. Collects or attempts to collect the refund value on a
22 beverage container a second time, with the knowledge that the
23 refund value has once been paid by the redemption center to a
24 consumer.

25 b. Manufactures, sells, possesses, or applies a false or
26 counterfeit label or indication that shows or purports to show
27 a refund value for a beverage container, with intent to use the
28 false or counterfeit label or indication.

29 c. Collects or attempts to collect a refund value on
30 a container with the use of a false or counterfeit label
31 or indication showing a refund value, knowing the label or
32 indication to be false or counterfeit.

33 d. Intentionally submits to the division a request for
34 reimbursement of refund value that does not accurately reflect
35 the number of beverage containers collected and recycled by a

1 redemption center for the period that the redemption center
2 seeks reimbursement.

3 3. As used in this section, "*a false or counterfeit label*
4 *or indication*" means a label or indication purporting to show
5 a valid refund value that has not been initially applied as
6 authorized by a distributor.

7 4. Subsection 2, paragraph "a", does not apply to empty
8 beverage containers that are intended to be refillable
9 and are in a standard of condition to be refillable by the
10 manufacturer, notwithstanding any standard for sanitization.

11 5. A person who violates any provision of this chapter
12 shall be subject to a civil penalty that shall be established,
13 assessed, and collected by the division by rule, but shall not
14 exceed two thousand dollars per violation, except as provided
15 in section 123B.10. Any civil penalty collected under this
16 chapter shall be deposited in the general fund of the state.

17 Sec. 37. NEW SECTION. 123B.8 **Administrative enforcement —**
18 **compliance orders.**

19 1. The administrator of the division may issue any order
20 necessary to secure compliance with or prevent a violation of
21 the provisions of this chapter or any rule adopted or permit
22 or order issued pursuant to this chapter. The person to whom
23 the compliance order is issued may cause to be commenced a
24 contested case within the meaning of chapter 17A by filing
25 within thirty days a notice of appeal to the commission. On
26 appeal, the commission may affirm, modify, or vacate the order
27 of the administrator of the division.

28 2. If a person continues an alleged violation during the
29 appeals process and the commission affirms that the person has
30 committed a violation, the division may assess penalties for
31 each day the violation continued through the appeals process.

32 Sec. 38. NEW SECTION. 123B.9 **Judicial review.**

33 Judicial review of any order or other action of the
34 commission or administrator of the division may be sought in
35 accordance with the terms of chapter 17A. Notwithstanding the

1 terms of chapter 17A, petitions for judicial review may be
2 filed in the district court of the county in which the alleged
3 offense was committed.

4 Sec. 39. NEW SECTION. 123B.10 Civil actions for compliance
5 — penalties.

6 1. The attorney general, on request of the division, shall
7 institute any legal proceedings necessary to obtain compliance
8 with an order of the commission or the administrator of the
9 division, including proceedings for a temporary injunction,
10 or prosecuting any person for a violation of an order of
11 the commission or the administrator of the division or the
12 provisions of this chapter or any rules adopted or permit or
13 order issued pursuant to this chapter.

14 2. Any person who violates an order issued pursuant to
15 section 123B.8 shall be subject to a civil penalty, not to
16 exceed two thousand five hundred dollars for each day of such
17 violation.

18 Sec. 40. NEW SECTION. 123B.11 Refund value payment program
19 — fund created.

20 1. The division shall establish and administer a refund
21 value payment program. The purpose of the program shall be
22 to administer payments of refund value and handling fees to
23 redemption centers after the redemption centers accept empty
24 beverage containers from consumers. The program shall be
25 administered in accordance with rules adopted by the commission
26 pursuant to chapter 17A.

27 2. A bottle bill deposit fund is established in the state
28 treasury under the control of the division. The fund shall
29 consist of moneys deposited in the fund pursuant to section
30 123B.2 and any other moneys appropriated to or deposited in
31 the fund. Moneys in the fund are appropriated to the division
32 for purposes designated in subsection 4. Notwithstanding
33 section 8.33, moneys in the fund that remain unencumbered or
34 unobligated at the close of a fiscal year shall not revert
35 but shall remain available for expenditure for the purposes

1 designated. Notwithstanding section 12C.7, subsection 2,
2 interest or earnings on moneys in the fund shall be credited
3 to the fund.

4 3. A bottle bill cash reserve account is established
5 within the bottle bill deposit fund. Moneys in the bottle
6 bill deposit fund on July 1, 2025, shall be deposited in the
7 account. The division shall use moneys in the account in the
8 event that the other moneys in the bottle bill deposit fund
9 are insufficient to issue reimbursement and handling fees
10 to redemption centers. At the end of each fiscal year, the
11 account shall be replenished to the original amount deposited
12 on July 1, 2025, from the other moneys in the bottle bill
13 deposit fund if such other moneys are available.

14 4. Moneys in the fund shall be used by the division for all
15 of the following purposes:

16 a. Issuing reimbursement of refund value to a redemption
17 center after the redemption center accepts empty beverage
18 containers from and pays the refund value to a consumer.

19 b. Issuing the handling fee to a redemption center for each
20 beverage container that a redemption center accepts from a
21 consumer.

22 c. Covering administrative costs to administer the refund
23 value payment program in an amount determined by the commission
24 by rule.

25 d. Providing grants to expand redemption capacity in
26 underserved areas.

27 e. Providing grants to nonprofit organizations to engage in
28 litter collection in public areas.

29 f. Providing reimbursement for actual and necessary expenses
30 incurred by members of the committee established in section
31 123B.12 in the performance of their duties.

32 g. Replenishing the bottle bill cash reserve account when
33 necessary.

34 Sec. 41. NEW SECTION. 123B.12 Bottle bill advisory
35 committee.

1 1. The division shall establish a bottle bill advisory
2 committee. The division shall determine by rule how many
3 members shall serve on the committee and the length of terms
4 for the members. The committee shall include at least one
5 member involved in the manufacturing of beverages, one member
6 involved in the distribution of beverage containers, one
7 member involved in the sale of beverage containers, one member
8 involved in the redemption of beverage containers, one member
9 involved in the recycling of beverage containers, and one
10 member representing consumer interests.

11 2. The members of the committee shall be reimbursed for
12 actual and necessary expenses incurred in the performance of
13 their duties. Expenses shall be paid by the division from the
14 bottle bill deposit fund created in section 123B.11.

15 3. The committee shall meet at least once each year to
16 review the status of the beverage containers control law
17 as provided in this chapter. The committee shall submit
18 any recommended changes to the division and to the general
19 assembly.

20 Sec. 42. NEW SECTION. **123B.13 Auditing.**

21 The auditor of state may establish rules to allow for
22 periodic auditing of entities receiving moneys under section
23 123B.11, subsection 4.

24 Sec. 43. NEW SECTION. **455D.9B Disposal of beverage
25 containers at sanitary landfill prohibited.**

26 The final disposal of beverage containers, as defined in
27 section 123B.1, including the final disposal of beverage
28 containers that used to contain alcoholic liquor as defined in
29 section 123.3, subsection 5, by a redemption center, as defined
30 in section 123B.1, in a sanitary landfill is prohibited.

31 Sec. 44. **EFFECTIVE DATE.** This division of this Act takes
32 effect January 1, 2024.>

ISENHART of Dubuque